

REFLECTIONS FROM THE MARGINS

COMPLEXITIES, TRANSITIONS AND
DEVELOPMENTAL CHALLENGES:
THE CASE OF THE EASTERN CAPE
PROVINCE, SOUTH AFRICA

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Abbreviations & Acronyms

ACC	AmaDiba Crisis Committee
ANC	African National Congress
BCCMs	Black Charismatic Church Ministries
Coalition	The Eastern Cape Health Crisis Action Coalition
CYPR	couple year protection rate
DMR	Department of Mineral Resources
DPW	Department of Public Works
ECDoE	Eastern Cape Department of Education
ECDoH	Eastern Cape Department of Health
EMS	emergency medical services
EPWP	Expanded Public Works Programme
HSRC	Human Sciences Research Council
IQMS	integrated quality monitoring system
MMR	maternal mortality rate
MMRiF	maternal mortality ratio in-facility
MPRDA	Mineral and Petroleum Resources Development Act, 2002
NCDs	non-communicable diseases
NEETs	[young people who are] not in education, employment, or training
NHI	National Health Insurance
PGDP	Provincial Growth and Development Plan

SAIMD	South African Index of Multiple Deprivation
SDG	sustainable development goals
SRH	sexual and reproductive health
Stats SA	Statistics South Africa
TEM	Transworld Energy Minerals
WHO	World Health Organization

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Income Poverty and Unemployment in the Eastern Cape

Wanga Zemke-Mkabile, Michael Noble and Gemma Wright

SINOBUDELELWANO NAMANZI

Lithe lapho seliyozilahla kunina ilanga
Ileyo naleyo ntuthane ebuyela emgodini
Nami ke ngibe sengiqokelela konke ukubiza lomzimba ngekhaya
Inhloso bekuwukuyophonsa ezweni lamaThongo
KwaLala

Esitratini ngihlangane nokukhanya okuthukuswe ethunzini
umfana omncane lona indlala uyixosha ngokugada izimoti,
Ethi imina lo ngasami khona lapha
ebekade ngimi khona nxashana kuphuma ilanga

Ephethe isithombe asidwebileyo,
Ethi, “lesisithombe singibuyisela emanzini
Lapho engahlala khona izinyanga eziyisishiyagalolunye,
Angeke ngakwazi ukubuyela ekhaya nalomzimba,
Angifuni umama angibone nginje”

Ngamfumbathisa amasentshana nami belu, wabonga
wase engipha eminye yalemidwebo yakhe
Engenze ngabona ukujula kobudlelwano
obuphakathi kwabantu namanzi

Namanzi aphila ngethemba lokuba...
Siyobuyela ekhaya njalo uma silibhekisa kwanhliziyo ngiyise.

Kwazi Ndlangisa

OUR RELATIONSHIP WITH WATER
English translation

When the sun was about to get swallowed by mountains
When all ants rushed for a hole
I also collected all that calls this body a home
For I couldn't wait to throw myself to the world of the dead
A house of dreamers

In the street I witnessed a light
Hidden in the dark
A young man
Car guarding as a way
To pass through the day, alive
He said,
"This is me
Still standing where I was
When the sun rose"

In his hand he held his drawing
He said,
This drawing takes me back to the water
Where for nine months I dwelt
I can't afford to go back home with this body
I can't bear to see the eyes of my mother when I look like this

I dug in my pockets and gave him what was left of cents
He thanked and gave me some of his drawings
Which depicted relationship between people and water

Even water lives in hope
That we might see our way home
Every time when we turn our backs away

Kwazi Ndlangisa

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Introduction

Chapter 3 painted a grim picture of high levels of deprivation in the Eastern Cape. In particular it showed that the eastern half of the province, made up of the former homelands of Transkei and Ciskei, shoulders most of the deprivation in the province. The western half, containing the wealthier, formerly white, metropolitan areas of the province – East London and Port Elizabeth – had relatively lower levels of deprivation, comparable to the wealthiest parts of South Africa. In this chapter, we seek to understand whether, and how, the picture changes or remains the same when considering income poverty. We also explore how income poverty and unemployment are related in the Eastern Cape. This chapter contributes to the understanding of the developmental dilemma of the Eastern Cape as a dichotomous economy that provides employment and relative income security for the western half of the province, and high levels of poverty and unemployment for the eastern half.

To answer these questions, we will present an analysis of income poverty and unemployment in the Eastern Cape which shows income poverty in the province within the broader context of South Africa and highlights the story of the former homelands that defines the province. In the presentation of the state of unemployment in the Eastern Cape, we will not only examine unemployment among the whole adult population but will also present a profile of youth unemployment (looking at young people who are not in employment, education or training) at small area level in the province. Various drivers of unemployment in the province will be discussed in the context of the province’s history and development.

Finally, the chapter will discuss the interventions (and the strengths and limitations thereof) that the government has used to address poverty in the Eastern Cape.

Methodology

This section briefly describes the methodology undertaken to measure income poverty, youth unemployment, and a recap of how the employment deprivation domain of the South African Indices on Multiple Deprivation (SAIMD) 2011 was constructed.

Income poverty methodology

Different concepts and definitions of poverty abound. Townsend¹ defines poverty as a state where:

People [...] are deprived of income and other resources needed to obtain the conditions of life – the diets, material goods, amenities, standards, and services – that enable them to play the roles, meet the obligations and participate in the relationships and customs of their society.²

In South Africa, there is no single official income poverty line, despite attempts by the government to introduce one. Indeed, drawing from less minimalist approaches, arguments have been made that at least one poverty line should consider the resources required for an acceptable standard of living.^{3;4}

Analysts in South Africa have used several income poverty lines over the years. A common one used extensively is based on work⁵ undertaken, proposing two poverty lines – a ‘lower-bound’ poverty line and an ‘upper-bound’ poverty line.ⁱ Although a poverty line based on a relative poverty measure would be preferred, in the absence of an official poverty line for South Africa, the Hoogeveen and Özler poverty lines are utilised for the poverty analysis in this chapter. If we inflate Hoogeveen and Özler’s lines to 2011 prices using the published consumer price index, it results in two per capita poverty lines – a lower-bound poverty line of R604 per capita per month, and an upper-bound poverty line of R1 113 per capita per month.

Almost all analyses of income poverty are undertaken using survey data to produce national and provincial measures of poverty or, occasionally, to produce measures of poverty relating to subgroups, such as population groups or gender. The spatial analysis below province level is rare and is usually limited to distinctions between area types, such as urban or rural,⁶ or using simulated income.⁷ In this analysis, however, we present measures at different spatial scales with a focus on the electoral ward and using the 2011 population census.⁸

Poverty measures are usually expressed according to the headcount ratio (p_0), thought of as the proportion of the population in poverty. Poverty gap measures (p_1 and p_2) are usually also given. In this analysis, the intention is to produce the equivalent of a poverty headcount ratio at ward level. Put another way: the resultant measure will describe the proportion of the population in a ward who is below either the lower-bound or the upper-bound poverty line.

i See for example, Leibbrandt et al. (2010).

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It is necessary to derive information from the 2011 census to produce a ward-level measure, as no survey source is reliable for these small areas. Achieving this measure from census data required complex data manipulations using SuperSTAR software.⁹ In brief, the banded household income (a derived variable being the aggregate of individual banded income) needs to be translated into point income and a per capita income created. This number can then be compared to each of the poverty lines and proportions of individuals falling below the computed lines for each ward. Necessarily there is some loss of information when the banded income is translated into point income. To do this, the same procedure that Statistics South Africa (Stats SA) used when creating the banded household income from banded individual income was followed, namely, the logarithmic means of the band was employed to specify the point income value for that band.

Although the primary measures developed were at ward level, the same methodology was used to create results at province level, district municipality level, and local municipality level.

Employment deprivation domain methodology

Chapter 3 presented a detailed description of the methodology undertaken to construct the SAIMD 2011, including information on how the domains were constructed. In brief, the employment deprivation domain is measured using the expanded definition of unemployment for people of working age (15-64), using data from the 2011 population census.¹⁰ In addition to the official definition of the unemployed (as promulgated by the International Labour Organisation), we also consider those who are discouraged workers as it is recommended that they be included,¹¹ resulting in a measure that is referred to as the expanded definition of unemployment.

Youth unemployment methodology

The National Youth Policy of South Africa (2009-2014) defines youth as members of the population aged between 14 and 34. A particularly vulnerable sub-group of young people in South Africa, and thus within the Eastern Cape, are those who are not in education, employment, or training (referred to as NEETs). NEETs are a sizeable subgroup of young people in South Africa, and yet they are not entitled to social assistance unless they are disabled.¹² Almost two-thirds of the unemployed in South Africa are young people.¹³

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There are many ways in which NEETs are defined internationally, and there is no standard agreement on a definition. The main point of contention is whether to include economically inactive people, and this choice is dependent on the reasons for economic inactivity. If a person is economically inactive through choice, for example, a wealthy person who chooses not to be available for work, it would not be useful to include them in a definition of NEETs. It would not be appropriate to design policy to assist such people in gaining access to either education or the labour market. After careful consideration of the policy imperatives in South Africa, it was decided to focus on youth who were not in education and who were unemployed either using the official definition, or who were discouraged workers. We refer to this group as NEETs for this chapter. Using Census 2011¹⁴ results, it was possible to identify NEETs as defined in this way.

Estimates were produced for 2015 using the number and percentages of people aged 15 to 34 (by age bands 15-19, 20-24, 25-29, 30-34, and by gender and education level) who were NEETs at the provincial level, the local municipality level, and at ward level.¹⁵ In addition to the age and gender analysis, the data at provincial, local municipality, and ward levels, also distinguished between NEETS who had completed matric and those who had not.

Results: Income poverty in the Eastern Cape

Table 4.1 presents the poverty rates calculated for the nine provinces and shows that the Eastern Cape was the second poorest province, whichever poverty line was used. More than two-thirds of people in the Eastern Cape lived below R604 per person per month in 2011, and more than three-quarters lived below R1 113 per person per month. Limpopo Province had the highest poverty rates, and the provinces with the lowest poverty rates were the Western Cape and Gauteng – both much lower than the South African average.

The Eastern Cape featured prominently on the list of the district municipalities or metropolitan areas in South Africa with the highest poverty rates (Table 4.2). Of the 52 district municipalities (including metros) in South Africa, four of the ten most impoverished areas were in the Eastern Cape, namely: Alfred Nzo; OR Tambo; Amathole; and Joe Gqabi. The poorest district municipalities all contain significant proportions of former homeland areas. As can be seen, the lower-bound poverty rates all exceed 70 per cent, and Alfred Nzo was the poorest district municipality, not only in the Eastern Cape but the whole of South Africa, with 82 per cent of the population living below R604 per person per month in 2011.

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Table 4.1 National and provincial poverty rates in 2011

Province	Lower-Bound (R604)	Upper-Bound (R1 113)
Western Cape	40.1	51.6
Eastern Cape	69.0	76.9
Northern Cape	54.7	66.0
Free State	58.9	68.9
KwaZulu-Natal	62.7	71.1
North West	58.7	67.7
Gauteng	40.7	49.0
Mpumalanga	60.2	69.6
Limpopo	70.3	78.2
All South Africa	55.7	64.6

Source Derived from the Census 2011 (Stats SA, 2012) using two poverty lines derived from Hoogeveen and Özler (2006)

Table 4.2 The ten district municipalities/metros in South Africa with the highest poverty rates in 2011

Province	District Code	District Name	Percentage of Population Below Lower-Bound Poverty Line	Rank (1 = area with highest lower-bound poverty rates; 2 = area with lowest lower-bound poverty rates)
Eastern Cape	DC44	Alfred Nzo	81.6	1
Eastern Cape	DC15	O.R. Tambo	80.5	2
KwaZulu-Natal	DC27	Umkhanyakude	80.1	3
KwaZulu-Natal	DC24	Umzinyathi	78.7	4
KwaZulu-Natal	DC26	Zululand	77.6	5
KwaZulu-Natal	DC43	Sisonke	76.3	6
Eastern Cape	DC12	Amathole	75.6	7

Table 4.2 The ten district municipalities/metros in South Africa with the highest poverty rates in 2011 (continued)

Province	District Code	District Name	Percentage of Population Below Lower-Bound Poverty Line	Rank (1 = area with highest lower-bound poverty rates; 2 = area with lowest lower-bound poverty rates)
Limpopo	DC47	Greater Sekhukhune	74.7	8
KwaZulu-Natal	DC23	Uthukela	74.0	9
Eastern Cape	DC14	Joe Gqabi	73.4	10

Source: Census of 2011 (Stats SA, 2012)

Closer examination at the level of the local municipality revealed that five of the ten poorest local municipalities were in the Eastern Cape (Table 4.3). Of the 226 local municipalities (excluding metros) in South Africa, the two poorest municipalities in 2011 were in the Eastern Cape: Port St Johns and Ntabankulu, with 87 per cent and 86 per cent of the population respectively living below R604 per person per month.

The map in Figure 4.1 shows the distribution of income poverty at ward level throughout the Eastern Cape, using the lower-bound poverty line. For this map, all the wards in South Africa were divided into ten equal groups (deciles). The wards in the decile with the highest poverty rates are shaded dark grey while the wards in the decile with the lowest poverty rates shaded light grey with a gradation in between, as shown in the map’s legend. The map in Figure 4.1 confirms that, in the Eastern Cape, particularly in the former homelands, populations experienced high levels of income poverty. Furthermore, the patterns of income poverty were similar to those observed in the overall SAIMD 2011.

Almost two-thirds of the Eastern Cape’s wards had income poverty rates of 70 per cent or above. Using the lower-bound poverty line, 454 of the Eastern Cape’s 715 wards (63.4 per cent) had income poverty rates of 70 per cent or more.

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Table 4.3 The ten local municipalities in South Africa with the highest poverty rates in 2011

Province	Local Municipality Code	Local Municipality Name	Percentage of Population Below Lower-Bound Poverty Line	National Rank (1 = Area with Highest Lower-Bound Poverty Rates)
Eastern Cape	291	Port St Johns	86.7	1
Eastern Cape	298	Ntabankulu	86.3	2
KwaZulu-Natal	569	Indaka	86.2	3
KwaZulu-Natal	576	Msinga	85.5	4
KwaZulu-Natal	575	Nqutu	84.7	5
Eastern Cape	290	Ngquza Hill	84.3	6
Eastern Cape	297	Mbizana	84.2	7
Eastern Cape	292	Nyandeni	84.2	8
KwaZulu-Natal	582	Umhlabuyalingana	82.9	9
North West	665	Ratlou	82.6	10

Source: Census of 2011 (Stats SA, 2012)

As in Chapter 3, we present findings for the former homelands in comparison to the rest of South Africa. We are interested in seeing whether the spatial patterns observed regarding multiple deprivation are similar in the case of income poverty.

Table 4.4 shows poverty rates using the lower-bound and upper-bound poverty lines for each of the former homeland areas, the former homeland average, that part of South Africa not comprising former homelands which we have termed ‘the rest of South Africa’, and the whole of South Africa.

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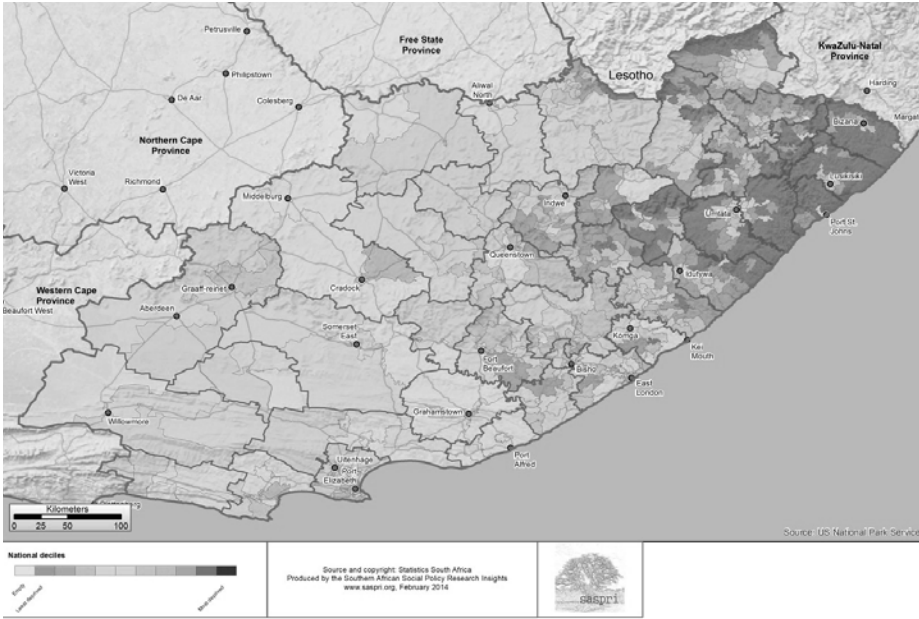


Figure 4.1 Map of income poverty in the Eastern Cape in 2011

From Table 4.4 and using either poverty line, the former homelands had much greater rates of poverty than the rest of South Africa excluding the former homelands, and then South Africa as a whole. Whichever poverty line was used, the former Transkei was more impoverished than any of the other former homelands, with 80 per cent of people living below R604 per person per month in 2011, and 87 per cent living below R1 113 per person per month.

How is income poverty associated with multiple deprivation? If the map in Figure 4.1 is compared with the map about the SAIMD 2011 in Chapter 3 (Figure 3.3), a strikingly similar picture emerges. Table 4.5 presents Spearman rank correlations between the SAIMD 2011 at ward level and both the upper-bound and lower-bound income poverty lines, also at ward level.

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Table 4.4 Poverty in the former homelands (upper- and lower-bound poverty lines) in 2011

Area	Lower-Bound (R604) Percentage	Upper-Bound (R1 113) Percentage
Former Bophuthatswana	63.1	72.7
Former Ciskei	68.0	77.2
Former Gazankulu	77.0	84.2
Former KaNgwane	71.4	80.9
Former KwaNdebele	66.7	78.5
Former KwaZulu	73.6	82.3
Former Lebowa	74.5	82.7
Former QwaQwa	74.9	83.4
Former Transkei	80.3	86.6
Former Venda	75.1	82.9
All former homelands	73.4	81.7
Rest of South Africa	46.0	55.3
South Africa	55.7	64.6

Source Census 2011 (Stats SA, 2012)

Table 4.5 Spearman Rank Correlation at Ward Level Between SAIMD and Poverty Rates

	SAIMD	Lower-Bound Poverty	Upper-Bound Poverty
SAIMD 2011	1		
Lower-Bound Poverty	0.8944*	1	
Upper-Bound Poverty	0.8873*	0.9921*	1

(*p<.001)

As can be seen from Table 4.5, the upper- and lower-bound poverty rates highly correlate with the SAIMD 2011. This can be seen graphically for the lower-bound poverty line in the scatter plot in Figure 4.2.

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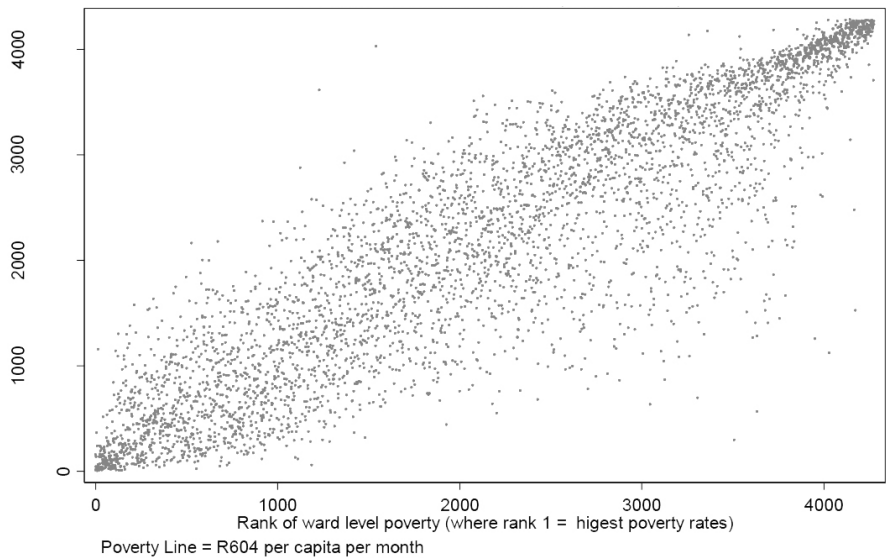


Figure 4.2 Scatter diagram of income poverty and multiple deprivation – all South Africa at ward level (ward ranks)

While the scatter plot in Figure 4.2 illustrates the correlation between the measures, it also shows that there are many areas where income poverty is not associated with multiple deprivation and vice versa.

Results: Employment deprivation in the Eastern Cape

We saw in Chapter 3 that the Eastern Cape was found to be the most deprived province in South Africa in terms of the proportion of the working-age population experiencing employment deprivation, with 47 per cent of the working-age population being employment deprived in 2011. Figure 4.3 is a map of the employment deprivation domain of the SAIMD 2011 at ward level, using the same colour scheme as in Figure 4.1. Again, we see that the most deprived wards occur mainly in the former homeland areas.

Table 4.6 shows that of the ten most employment-deprived wards in the Eastern Cape, three were in Port St Johns, two in Ngquza Hill, and two in King Sabata Dalindyebo local municipality. Ward level unemployment rates range from 2 per cent in a ward in Makana, to 86.2 per cent in Ward 12 in Port St Johns. The wards with the highest levels of employment deprivation were in the former homeland of Transkei.

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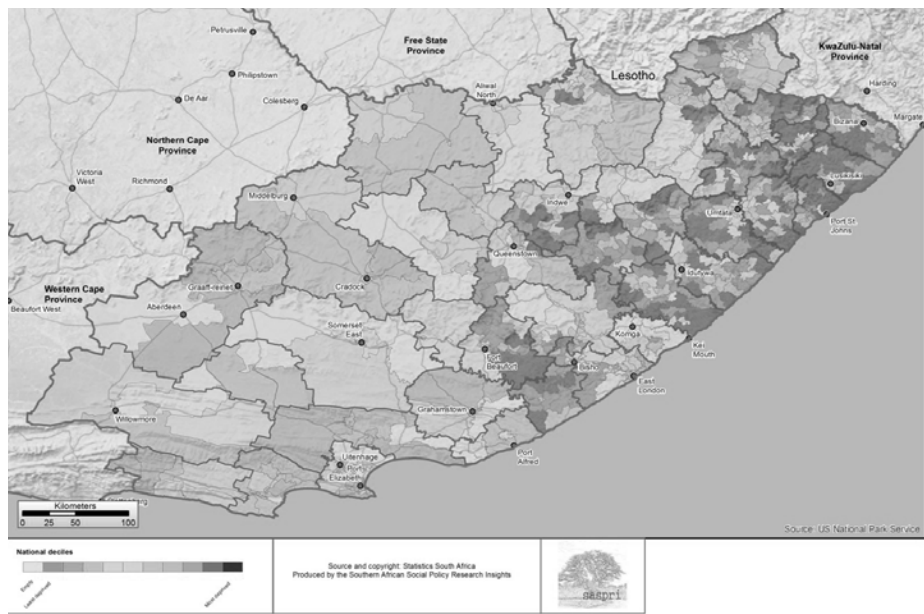


Figure 4.3 Ward-level SAIMD 2011: Employment deprivation domain of the Eastern Cape Province

Table 4.6 The ten most employment-deprived wards in the Eastern Cape in 2011

Local Municipality Name	Ward Number	Ward Code	Percentage Employment Deprived	Rank of Deprivation within Eastern Cape (1 = most deprived)
Port St Johns	12	21504012	86.2	1
Ngquza Hill	24	21503024	83.5	2
King Sabata Dalindyebo	17	21507017	82.8	3
Ngquza Hill	12	21503012	82.6	4
Port St Johns	1	21504001	82.0	5
Port St Johns	11	21504011	81.8	6
Ngquza Hill	16	21503016	81.6	7
Nkonkobe	13	21207013	81.2	8
King Sabata Dalindyebo	16	21507016	81.2	9
Umzimvubu	2	24402002	80.9	10

Source: Census 2011 (Stats SA, 2012)

Results: NEETs in the Eastern Capeⁱⁱ

Tables 4.7 and 4.8 show the numbers and percentages of NEETs by province (with the Eastern Cape shaded in grey) and for South Africa as a whole. The young people are classified into age groups, or by age band. Table 4.7 shows the figures for young women and Table 4.8 for young men.

In Table 4.7, we see that in South Africa in 2015, there were 2.4 million 15 to 34-year-old women who were NEETs. Proportions were calculated by dividing the number of female NEETs in an age band by the number of economic women in the same age band (divided by the number of women in the age band who are either employed or unemployed).ⁱⁱⁱ So, for example, 51 per cent of the economically active women in South Africa were identified as NEETs.

Within the Eastern Cape, there were more than a quarter of a million (270 755) female NEETs, and more than a quarter of a million (255 860) male NEETs. If we compare Tables 4.7 and 4.8, it is evident that the number of NEETs and rates (proportion of economically active people who were NEETs) was nationally higher for women than for men. So, considering those aged 15 to 34 throughout the whole of South Africa, 38 per cent of the economically active male population were NEETs, compared to a much higher 51 per cent of the economically active female population. In the Eastern Cape, however, the gender differences were not quite as stark, with 52 per cent of the male and 60 per cent of the female economically active population aged 15 to 34 being defined as NEETs.

If we only consider those aged 15 to 24, the Eastern Cape and Western Cape had similar numbers of NEETs (199 000 and 194 000 respectively). Taken as provincial numbers, these figures are much lower than for Gauteng and KwaZulu-Natal (with 435 000 and 431 000 NEETs, aged 15 to 24 in 2015, respectively). As a percentage of the economically active population in that age group, however, the Eastern Cape was the most deprived province in South Africa with more than two thirds (68 per cent) of the economically active population aged 15 to 24 defined as NEETs. The Eastern Cape was followed by Limpopo at 66 per cent, with the lowest rate being in the Western Cape at – a still high – 44 per cent.

ii This section draws from a study undertaken for the Department of Social Development on measuring the need for key services (Noble, Wright, Zembe-Mkabile, Mpike & Barnes, 2016).
iii Our definition of 'economically active' includes discouraged workers in line with recent recommendations for the South African context (Lloyd & Leibbrandt, 2013).

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Table 4.7 Number of young NEETs females in 2015 by age and province

Province Name	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu- Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Number of female economically active 15-19 in 2015	45 190	26 590	7 225	13 155	58 105	15 605	51 760	17 730	15 840	251 200
Number of female economically active 20-24 in 2015	144 020	105 695	26 845	63 580	284 205	71 845	301 135	90 890	101 915	1 190 130
Number of female economically active 25-29 in 2015	208 515	171 900	30 430	76 625	336 825	86 265	552 985	108 330	132 470	1 704 345
Number of female economically active 30-34 in 2015	200 540	150 750	31 000	64 835	266 475	102 265	470 900	124 265	113 710	1 524 740
Number of female economically active 15-34 in 2015	598 265	454 935	95 500	218 195	945 610	275 980	1 376 780	341 215	363 935	4 670 415
Number of female NEETS 15-19 in 2015	26 560	20 865	5 235	10 445	43 630	12 100	36 795	14 180	13 220	183 030
Number of female NEETS 20-24 in 2015	61 330	73 305	16 305	44 045	188 580	49 620	163 385	61 280	75 675	733 525
Number of female NEETS 25-29 in 2015	71 745	99 550	14 385	42 300	182 790	48 115	233 485	59 310	81 600	833 280
Number of female NEETS 30-34 in 2015	58 060	77 035	13 360	32 430	120 905	51 495	166 550	59 565	61 610	641 010
Number of female NEETS 15-34 in 2015	217 695	270 755	49 285	129 220	535 905	161 330	600 215	194 335	232 105	2 390 845

Table 4.7 Number of young NEETs females in 2015 by age and province (continued)

Province Name	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu- Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Female NEETS 15-19 as % of economically active in 2015	58.77	78.47	72.46	79.40	75.09	77.54	71.09	79.98	83.46	72.86
Female NEETS 20-24 as % of economically active in 2015	42.58	69.36	60.74	69.27	66.35	69.07	54.26	67.42	74.25	61.63
Female NEETS 25-29 as % of economically active in 2015	34.41	57.91	47.27	55.20	54.27	55.78	42.22	54.75	61.60	48.89
Female NEETS 30-34 as % of economically active in 2015	28.95	51.10	43.10	50.02	45.37	50.35	35.37	47.93	54.18	42.04
Female NEETS 15-34 as % of economically active in 2015	36.39	59.52	51.61	59.22	56.67	58.46	43.60	56.95	63.78	51.19

Source Census 2011 (Stats SA, 2012)

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Table 4.8 Number of Young NEETs Males in 2015 by Age and Province

Province Name	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu- Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Number of male NEETs 15-19 in 2015	27 580	21 385	5 310	8 390	40 840	10 755	31 915	10 295	10 775	167 245
Number of male NEETs 20-24 in 2015	78 795	83 920	12 755	47 230	157 800	50 805	203 205	70 520	58 555	763 585
Number of male NEETs 25-29 in 2015	67 210	89 195	12 495	39 700	147 345	51 095	193 880	61 045	76 080	738 045
Number of male NEETs 30-34 in 2015	45 395	61 360	8 660	26 175	96 260	35 185	132 165	38 205	48 660	492 065
Number of male NEETs 15-34 in 2015	218 980	255 860	39 220	121 495	442 245	147 840	561 165	180 065	194 070	2 160 940
Male NEETs 15-34 as percentage of economically active in 2015	29.80%	52.34%	34.24%	39.47%	46.33%	36.01%	32.20%	38.72%	46.41%	38.34%

Source Census 2011 (Stats SA, 2012)

Interventions to tackle poverty and unemployment in the Eastern Cape

Several interventions to specifically respond to the myriad of challenges of poverty and unemployment in the Eastern Cape have been attempted. 'Attempted' is the appropriate word to use because many of the interventions have either not taken off, have been poorly implemented, or have simply not been effective. Reynolds¹⁶ provides a detailed analysis of the various interventions that the Province adopted post-1994. The first attempt at revitalising the Eastern Cape was the Provincial Growth and Development Strategy that the Eastern Cape Socio-Economic Consultative Council put together in 1997. The strategy failed, however, not least because it consisted of "several strategic pillars supported by an assortment of thrusts not necessarily linked by a clearly articulated logic".¹⁷ This strategy was followed up by the Provincial Growth and Development Plan (PGDP) 2004-2014, meant to be a more comprehensive attempt at responding to poverty and unemployment in the province. The PGDP was foregrounded by a systematic analysis of impediments to progress within the province. These were identified as the province's inability to control many aspects of a macro-economic policy, a fragmented labour market characterised by a decline in formal employment, low skills base, underinvestment in skills development, poor alignment of training programmes with social and economic development strategies, and a mismatch between training outputs and skills requirements.¹⁸

In response to these challenges, the PGDP pushed for active state intervention in the economy and mainstreamed the Millennium Development Goals within its 13 ambitious targets:

- halving unemployment;
- reducing the number of households living below the poverty line by 60 to 80 per cent;
- maintaining an economic growth rate between 5 and 8 per cent per annum;
- improving food self-sufficiency;
- achieving better education-related outcomes;
- lowering the under-five child mortality rate;
- lowering the maternal mortality rate;
- combating communicable diseases such as HIV/Aids and tuberculosis (TB); and
- improving access to clean water and sanitation.

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The PGDP was particularly promising because it was backed by big international development partners such as the United Nations Development Programme and the UK’s Department of International Development. Nevertheless, a 2007 evaluation of the PGDP revealed it was poorly implemented, resulting in marginal to no improvements in any of the key target areas.¹⁹ For the unemployment target, seeking to halve unemployment by 2014, the evaluation showed a reduction in the narrow rate between 2004 and 2007, but an increase in the expanded rate. There was also only a slight decrease in the percentage of people living below R800 per month.

An argument has been made that several external factors constrained the extent to which the goals of the PGDP could be realised. Chief among these was the plan’s inability to influence macroeconomic and industrial policy, to increase agricultural sector development, or to reduce the country’s extreme inequality levels.²⁰ There were also unsuccessful attempts to embed the plan across the local, district and provincial spheres of government.²¹

Further, it was widely believed that the targets were too ambitious and unrealistic in the context of entrenched poor structural development and wider country-level economic growth challenges.²² Specific limitations were identified as:

- the Eastern Cape province’s failure to operate within the country’s Gauteng-based national growth model focused on finance and mining;
- the PGDP’s reliance on national competencies such as economic and industrial infrastructure which fall outside the control of the province;
- lack of human and economic resources and policy instruments to successfully implement the PGDP; and lastly
- the lack of a strong driving and integrating centre.²³

Regarding unemployment, the Eastern Cape Provincial Jobs Strategy, released in 2012, identified several factors as being the drivers of the province’s job crisis. These included:

- a persistently high rate of unemployment over time;
- large numbers of discouraged workers withdrawing from the provincial labour market;
- high out-migration from the province;
- a skills crisis; and
- growing numbers of new entrants to the labour market.²⁴

REFLECTIONS FROM THE MARGINS: COMPLEXITIES, TRANSITIONS AND DEVELOPMENTAL CHALLENGES

Westaway²⁵ noted that, “the Ciskei and Transkei today are characterised by pervasive chronic poverty, low levels of economic activity, a dearth of employment opportunities, and high levels of dependency on welfare”, attesting to the high levels of poverty and unemployment in the two former homelands of the Eastern Cape. The author bemoans unemployment in the former homelands as a long-standing problem, noting that less than 15 out of every 100 economically active people earn a wage income.²⁶ This is poignantly captured in this quote:

A typical life trajectory of a Bantustan resident, at least 55 per cent of whom are females, is to start school at age six, leave at about 19 with a poor Grade 10 certificate, sink into permanent unemployment thereafter, and die between the ages of fifty and sixty.²⁷

In the Eastern Cape, households historically depended on remittances from sons, daughters, husbands, wives, mothers and fathers, who worked for minimum wages in semi-skilled and unskilled jobs in big cities, like Johannesburg and Cape Town, during the '80s. They can no longer rely on these remittances, which are declining sharply in the new democracy, as a result of an economy that is unfriendly to semi-skilled and unskilled labour. In 2016 the General Household Survey showed that remittances accounted for only 23.7 per cent of household income compared to social grants (59.1 per cent) in the Eastern Cape.²⁸

The most potent hindrance to the province’s development is, however, the enduring legacy of apartheid, especially in its former homelands. The province and particularly its Bantustans, historically served:

as a key site of labour reproduction in support of the development of the South African economy, [...] black people were violently relocated to the Bantustan areas, subjected to planning that further dislocated [them] from their places of living and sites of agricultural production [...] livelihood options within the Bantustans were constrained and social service provision was poor. This legacy and the deepening of urban poverty are the most intractable challenges facing the post-1994 democratic state, both in the Eastern Cape and nationally.²⁹

Some of the interventions that have shown potential in the Eastern Cape are the Expanded Public Works Programme (EPWP) and social grants. The latest evaluation of the EPWP, conducted by the Department of Public Works (DPW), showed that in the 2015/16 financial year the Eastern Cape created the most full-time equivalent jobs (9 962 or 22 per cent work opportunities) in the infrastructure sector.^{30; iv} While this is laudable, it obfuscates the reality of the EPWP model that transitory low-paid work characterises. For instance,

iv Amounting to 230 person-days of work. Person-days of work or training defined as ‘a person-day of training’, for example, can be explained: when five beneficiaries attend a two-day course then the person-days of training are ten days (Martins, 2016).

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full-time equivalent work amounting to 230 person-days of work can add up to far less than six months of employment because of the formula used to calculate person-days, where the number of people working in a given project is multiplied by the number of working days. Thus, in addition to the fact that 9 962 people is a relatively low number for a province of the Eastern Cape's size with a high unemployment burden, employment opportunities that the EPWP provided would not have amounted to much in the way of reducing the unemployment rate. The 2016 DPW report points out that:

while the EPWP provides an important avenue for labour absorption and income transfers to poor households in the short to medium-term, it was not designed as a policy instrument to address the structural nature of the unemployment crisis.³¹

Social grants are a success story in the Eastern Cape because the province has the highest levels of take-up for all of the grants, with nearly full take-up of the child support grant and the old age grant in particular³² On their own, however, social grants are not enough to fill the gap left by lack of paid decent work, nor are they sufficient to substantially reduce poverty.

Conclusion

The Eastern Cape is the poorest province in the country, with income poverty and multiple deprivation being concentrated in the former homelands, particularly Transkei. Further, unemployment, whether using the employment deprivation measure or focusing on youth unemployment specifically, remains high in the Eastern Cape. High rates of unemployment are a likely driver of income poverty in the Eastern Cape, particularly in the former homelands. Other factors, such as out-migration, diminishing receipt of remittances, and failed employment creation strategies and interventions coupled with gross economic underdevelopment contribute to the high levels of income poverty and deprivation observed in the Eastern Cape.

Endnotes

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